

Coins

Two-cent piece: By 1980, it's a possibility

By Roger Boye

SOME DRAMATIC changes in the nation's coinage system are possible by the end of the decade, based on proposals being considered by the director of the United States Mint and coin experts.

Among possible changes are introduction of a 2-cent coin; a smaller, handier \$1 coin; and elimination of mint marks on coins. The changes would help the mint meet the increasing demands for coins by the U.S. economy.

The most interesting proposal is the introduction of a 2-cent coin. Recent studies by the U.S. Mint have favorably considered the minting of a 2-cent piece. However, mint director Mary Brooks is awaiting a report by a private research organization before deciding whether to support the issuance of such a coin. The report is due this spring.

Although Congress would have to approve its

issuance, a 2-cent piece would not be new to the American coinage system. A coin of that denomination was made from 1864 to 1873, but was discontinued because it proved to be unnecessary.

With a modern-day 2-cent piece used by the public, production of the 1-cent piece would be reduced substantially, resulting in a savings of production costs, so the theory goes.

Presently, the mint produces about nine billion cents annually, more than 70 per cent of the total number of U.S. coins it produces.

Incidentally, some Department of the Treasury experts believe production of the 1-cent piece should be eliminated and that all business transactions should be rounded off to the nearest 5-cent level. Inflation has made the penny meaningless and essentially worthless, they say.

A smaller, lighter \$1 coin is a proposal being

considered by the mint's private research firm. If such a coin would circulate, it could replace the need for some \$1 bills. A \$1 bill usually becomes "worn out" after circulating for less than a year, but a coin lasts several years. A new \$1 coin would have to be different in size and composition from the present half-dollar and dollar coins.

The third proposal under study, elimination of mint marks, has precedent. Mint marks were taken off coins from 1965 to 1967 during a period of coin shortages. Without the "D" [for Denver] or "S" [for San Francisco] mint marks, fewer coins would be collected, and thus more would remain in circulation.

Some coin scholars have estimated that as many as one-third of the coins minted in a year are taken out of circulation by coin collectors or coin hoarders. For example, many 412 million cents made in San Francisco in 1974 have disappeared from circulation.